



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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TREASURER AND TAX COLLECTOR

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October 28, 2004

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF ASSIGNMENT AND DELEGATION AGREEMENT - PRESORT MAILING SERVICES (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign) the attached Assignment and Delegation Agreement which delegates and assigns all rights, obligations, and interest of Contract No. 74020 with Ancora Presort Partners (Ancora) to PSI Group, Inc. (PSI).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 4, 2002, your Board approved the Presort Mailing Services contract, which commenced July 1, 2002 with Ancora. Presort mailing services affords the Treasurer and Tax Collector (TTC) a significant savings in first-class postage. Because the postage and postmarks are applied by the mailing services contractor, delivery of the mail by the presort vendor to the United States Post Office (Post Office) needs to be within 24 hours of pickup from TTC. Therefore, having a presort vendor that has the requisite capacity and means to accomplish this task in a timely manner is paramount.

On October 4, 2004, Ancora informed the County of Los Angeles (County) that, pursuant to a purchase transaction, PSI would be absorbing Ancora operations and requested that the Ancora contract for presort mailing services be assigned to PSI, under Sub-section 8.1, Assignment and Delegation, of the contract. In order to confirm that PSI, a wholly owned subsidiary of Pitney Bowes, Inc. (Pitney Bowes), possesses the financial capability to successfully execute the contracted services, TTC conducted a review of Pitney Bowes' audited financial statements for the years ending December 31, 2003, 2002, and 2001. Based upon the review, it was determined that Pitney Bowes is in an acceptable financial condition. Accordingly, TTC recommends that the Board approve this Assignment and Delegation to PSI. The current contract with Ancora expires on June 30, 2005, with two additional one-year extension periods.

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Implementation of Strategic Plan Goals

The Assignment and Delegation of this contract is consistent with the County's Strategic Plan Goal of Organizational Effectiveness. This assignment and delegation agreement will enable the continued operations through the utilization of the contractor's expertise to effectively provide these as-needed presort mailing services in a timely and cost-effective manner.

FISCAL IMPACT/FINANCING

The proposed assignment and delegation agreement with PSI will not exceed the previously approved Ancora contract annual maximum sum of \$35,000. The Assignment and Delegation to PSI will not result in an increase to the existing fees.

Living Wage Program requirements do not apply to this non-Proposition A contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contractor is in compliance with all Board and TTC requirements. County Counsel has reviewed and approved the Assignment and Delegation Agreement as to form.

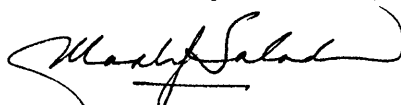
IMPACT ON CURRENT SERVICES

None. Approval of this Assignment and Delegation Agreement provides for the continuation of existing services.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return three (3) signed original Delegation and Assignment Contracts and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:EVT:evt

Assignment and Delegation Brd Ltr. 10-28-04

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors